



Furthering Families

Meeting families' insurance needs

Automobile Insurance

Automobile insurance is available to cover auto repair and replacement expenses for your car, as well as auto related liabilities that are filed against you.

Michigan's Essential Insurance Act was designed to make auto insurance available to all eligible Michigan citizens at reasonable rates. Based on the Michigan Compulsory Insurance Law, no fault insurance is required by law in Michigan. Every car owner must buy certain basic insurance coverage in order to license your car. It is against the law to drive or let your car be driven without no-fault insurance.

The Michigan No-Fault Insurance Law has three main parts:

- **Personal Injury Protection**
Personal Injury Protection pays any medical expenses that may result from an accident for you and others riding in your car.
- **Property Protection Insurance**
Property Protection Insurance pays for damages, regardless of fault, done by your car to properly parked vehicles or fixed properties. Damage to your own property is not covered under this part of the law.
- **Residual Liability Insurance Bodily Injury and Property Damage**

Residual Liability Insurance Bodily Injury and Property Damage pays your legal defense costs and claims against you if your car injures or kills someone. It provides coverage for family members living with you and others driving with your permission. In addition, this part also pays your legal defense costs and claims against you if your car damages another's property. However, this does not cover your property, including your automobile.

Any coverage over these three basic parts is a luxury, not a necessity. The State of Michigan – Office of Financial and Insurance Services has a guide that can assist individuals and/or families to find the appropriate kind of auto insurance. To view this guide, go to www.michigan.gov (under Consumer and Industry Services – Office of Financial and Insurance Services).

References: Consumer and Industry Services, Office of Financial and Insurance Services, State of Michigan – www.michigan.gov/cis.

Michigan State University Extension, 2001, *Money 2000: Protecting Family Assets* (Module H).

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